

STATE OF ALABAMA
CAPTIVE INSURANCE COMPANY
IRREVOCABLE EVERGREEN LETTER OF CREDIT

Letter of Credit No. _____

Date _____

Issuing Financial Institution:

Name: _____
Address: _____
City: _____ State: _____

Beneficiary

Commissioner of Insurance
State of Alabama
201 Monroe Street, Suite 1700
Montgomery, AL 36130

1. We hereby establish our IRREVOCABLE EVERGREEN LETTER OF CREDIT in favor of the above named beneficiary for the account of _____ (name of captive) up to the aggregate amount of _____ available by your draft(s) drawn on us, at sight, bearing the number of this IRREVOCABLE EVERGREEN LETTER OF CREDIT No. _____. This LETTER OF CREDIT shall expire at our Letter of Credit Department, _____ (address) at our close of business on _____ unless extended as herein provided.
2. This LETTER OF CREDIT is issued pursuant to the provisions of ALA. Code 27-31B-1 et. Seq. and on behalf of the above mentioned _____ (name of captive) which is applying for a certificate of authority to engage in the insurance business in the State of Alabama as a captive insurance company. We understand and agree that _____ (name of captive) has no obligation to reimburse us and we have no right of set off against any funds held by us for _____ (name of captive) in the event this LETTER OF CREDIT is drawn down, in whole or in part. By issuing this LETTER OF CREDIT, we waive any common law, statutory or contractual right of reimbursement or set off against _____ (name of captive) that may arise in the event this LETTER OF CREDIT is drawn down, in whole or in part.
3. It is a condition of this LETTER OF CREDIT that it shall be automatically extended for additional periods, each of one year in duration, unless at least ninety calendar days prior to the then relevant expiration date set forth in Section 1 above we have sought and received the written consent of the above named

(NOTE: THIS LETTER OF CREDIT MUST BE ISSUED ON ORIGINAL BANK STATIONERY BEARING THE BANK'S LETTERHEAD.)

beneficiary to terminate this LETTER OF CREDIT. In that event, you may draw hereunder on or prior to the then relevant expiration date, up to the full amount then available hereunder, against your sight draft(s) on us, bearing the number of this LETTER OF CREDIT.

4. It is a further condition of this LETTER OF CREDIT that each extension shall be measured from the then relevant expiration date, even though such date is not a business day in Montgomery, Alabama for this Bank. It is also a condition of this LETTER OF CREDIT that, for the purpose of drawing hereunder, if the then relevant expiration date is a nonbusiness day for our Bank, drawing may be made not later than our next immediately following business day.
5. This LETTER OF CREDIT sets forth in full the terms of our undertaking, and such undertaking shall not in any way be modified, amended or amplified by reference to any note, document, instrument, statute, regulation or agreement referred to herein or in which this LETTER OF CREDIT is referred to or to which this LETTER OF CREDIT relates and any such reference shall not be deemed to incorporate herein by reference any note, document, instrument, statute, regulation, or agreement.
6. Each sight draft so drawn and presented shall be promptly honored by us if presented on or prior to the above stated expiration date or any extension thereof as above provided. Presentation under this LETTER OF CREDIT must be made at _____ located at _____ during normal banking hours.
7. This letter of credit is subject to the Uniform Customs and Practice for Documentary Credits (1993 Revision) International Chamber of Commerce publication No. 500 and any subsequent revisions thereto. Notwithstanding Article 17 of said publication, in the event that one or more of the occurrences specified in Article 17 of said Publication occurs, then the bank hereby specifically agrees that this letter of credit shall be extended so as not to expire during such interruption of business and shall extend for ten days after such resumption of business.

IN WITNESS WHEREOFF THE said financial institution has caused its name to be subscribed hereto by its _____, a duly authorized officer of said institution, and hereby causes its corporate seal to be affixed hereto this ____ day of _____ in the year of _____.

Signed: _____

(Seal)

By: _____

Title: _____

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